A closing statement is a document that summarizes all funds received by you and the seller related to the transaction. It is a financial summary that includes closing costs, taxes, insurance, and the net balance of the transaction.

Question: What costs are included in a closing statement?

Answer: Closing costs typically include the appraisal fee, survey fees, title insurance, attorney fees, and any lender fees. These costs are itemized in the closing statement, which is provided to the buyer and seller at closing.

Question: What are special assessments?

Answer: Special assessments are fees levied by homeowners associations or municipalities for improvements to public property. These assessments are prorated at closing, meaning that the buyer and seller each pay a portion of the assessment based on the date of possession.

Question: What if I can't close by the time stated on the contract?

Answer: If you cannot close on the date stated in the contract, you should consult with your attorney to determine the next steps. This may involve extending the settlement date or renegotiating the terms of the contract.

Question: What are some common mistakes that buyers and sellers make during a closing?

Answer: Common mistakes include not verifying the buyer's creditworthiness, not reviewing the closing statements thoroughly, and not understanding the terms of the purchase contract. A thorough review of these documents can help prevent many of these mistakes.

Question: How can I make sure the closing attorney is qualified to handle my closing?

Answer: To ensure that the closing attorney is qualified, you should review their credentials and ask for references or testimonials from previous clients. You can also check with the North Carolina Real Estate Commission to verify their registration and qualifications.

Questions and Answers on: CLOSINGS

The closing attorney may disburse funds at closing. What costs are included in closing statements? Special assessments are fees levied by homeowners associations or municipalities for improvements to public property. These assessments are prorated at closing, meaning that the buyer and seller each pay a portion of the assessment based on the date of possession. A closing statement is a document that summarizes all funds received by you and the seller at closing, and all funds paid by you and the seller for various expenses of the transaction (real estate broker commissions, attorney fees, lobbying fees, etc.). For all closing expenses, you and the seller may render only administrative services for their own personal or business use. The closing attorney may also represent the lender, the seller, or both parties to the transaction. If a non-attorney is handling your closing, that person may recommend or offer you financial incentives to avoid giving the closing attorney a copy of your contract and a copy of the closing documents. In my contract, the seller agreed to pay $2,000 in closing costs. What costs are included? In my contract, the seller agreed to pay $2,000 in closing costs. What costs are included? What if I can't close by the time stated on the contract? If I'm a seller, when should I get my proceeds from the sale of my property? What if I'm a seller, when should I get my proceeds from the sale of my property? A: The best practice is to determine the specific costs the seller is willing to pay for. If the contract does not specify what costs are covered by the $2,000, then you and the seller should discuss this prior to closing. Closing costs include attorney fees, title insurance, and any lender fees. These costs are itemized in the closing statement, which is provided to the buyer and seller at closing.

Closing statements are often used to determine the net balance of the transaction, which is the amount remaining after all expenses and adjustments have been made. A closing statement can also be used to verify the accuracy of the settlement process. For example, property taxes are assessed as of January 1 but are normally prorated until the end of the year. The seller is responsible for the tax share of the property from January 1 through the closing date. You will be responsible for the remainder of the year. Review the closing statement carefully to be sure you know what items, if any, will be prorated at closing.
Consequently, they are posed from the standpoint of others who may have claims against the property or other service providers, and to pay off banks or funds are paid to an appraiser, home inspector, and/or other loan professionals for a negotiated amount. At closing, the buyer pays the purchase price to the seller (usually with the proceeds from a loan), and the seller gives the buyer a deed in lieu of the due diligence period, the buyer's acceptance of the property is conditioned on the buyer having the capacity to pay the purchase price. Therefore, you should determine whether sufficient financing is available prior to the end of the due diligence period.

The most important inspections are:

- **Home Inspection**
  A home inspection typically evaluates the condition of the property, including the plumbing, heating, cooling, and electrical systems, and the structural components. It should reveal evidence of wood-destroying insects, if any, that could costly to find out after the due diligence period or after closing that there is a major defect in the property. You may need additional inspections performed by a specialist, such as an electrician, plumber, or an architectural engineer.
- **Wood-Destroying Insect Inspection**
  You have a licensed pest control operator perform a pest inspection prior to the end of the due diligence period. You should inspect the condition of the property and if any, that could very costly to find out after the due diligence period or after closing that there is a major defect in the property.
- **Survey**
  A survey provides accurate measurements of the property, in precise total area, the location of buildings and other improvements to the property, and any encroachments or other easements or encroachments. You are particularly responsible for paying for the survey. Examine the survey prior to the end of the due diligence period to make sure the property and all other conditions of the property match what you were told by the seller or real estate broker and what is shown on the purchase contract. You should also be aware that the property you are purchasing may have one or more liens that can be a problem after closing. A real estate inspector will help clear up the problem or compensate you for any losses you have sustained. Like any insurance policy, there may be exceptions in your own title insurance policy to cover you from title issues, so it critical that you carefully read your insurance policy before closing.

**Wells and Sewage Disposal Systems**
If you are buying a property served either by a well or septic system (not city water or sewer), you should have it inspected prior to the end of the due diligence period. A well inspection and separate water test should be done to determine whether there is an adequate amount of water and water pressure for the property. There are many harmful types of chemicals in the water. An examination of the septic system should determine if it is adequate to support the property and if there is properly performing. Repairs to these systems can be very expensive.

**Radon**
Radon is a radioactive gas that can be found in homes all over the United States. Many homes can have a radon problem, regardless of size or condition. Therefore, you should have your property tested for radon to make sure that any detectable radon is at or below EPA’s guidelines for a “acceptable” level.

What is a “no warranty” or “as is” sale?
A “no warranty” or “as is” sale means you will receive a non-warranty, quitclaim deed. A non-warranty deed contains no warranties at all; therefore, you accept title from the seller “as is.” A special warranty deed contains warranties to the buyer.

Q: Why is a standard form offer to purchase and contract important to a home buyer?
A: A standard form offer to purchase and contract outlines what the buyer and seller sign an offer to purchase and contract, and the buyer gives the seller (or the seller’s broker) an earnest money deposit and any due diligence fee. If you receive an offer from a buyer, you are legally bound to the offer. If the seller wants to give you a non-warranty, quitclaim deed, the offer will state that closing shall constitute acceptance of the property as is in its existing condition unless otherwise provided in the contract. If the buyer’s offer is not accepted, the seller may renegotiate the offer. If the sale is not completed, you may be found to have accepted the property in its existing condition.

**Questions and Answers on: Real Estate Closings**

In the typical residential real estate sale transaction, a buyer offers to purchase property from a seller. After negotiating the price and terms, the buyer and seller sign an offer to purchase and contract, and the buyer gives the seller an earnest money deposit to show good faith in the transaction. Under the standard form Offer to Purchase and Contract, the buyer gives the seller a “due diligence fee” for the buyer’s right to purchase and contract, and the buyer gives the seller a “due diligence fee” for the buyer’s right to purchase or to negotiate further. Determining whether to terminate the contract or continue with the purchase contract is a matter of personal judgment. You should determine if it is adequate to support the property and if there is properly performing. Repairs to these systems can be very expensive.

What if the seller wants to give me a non-warranty, quitclaim deed?
A: The deed transfers the seller’s interest in the property to the buyer. A special warranty deed contains warranties to the buyer. For a few dollars more you can also purchase a “title insurance policy” to cover your interest in the property. If you buy in a residential subdivision or planned community, you should obtain documentation concerning any dues, assessments, covenants, restrictions, and services provided. If the real estate broker or closing attorney does not give you relevant documentation, check the most current copy and review it before the end of the due diligence period.